

Fiscal TOPICS

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Budget Unit: Transportation Budget – Unemployment Compensation

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Purpose and History

Iowa's unemployment compensation law was enacted by the 46th General Assembly in the 1936 Iowa Acts, Chapter 4, in response to the impacts that the depression had on the citizens of Iowa. The goal of the law was to provide for more stability in employment and to limit the social consequences of unemployment. The law is found in Iowa Code chapter 96 and requires employers to pay into the Unemployment Compensation Fund based on the benefit experience of the employer.

For state government employees, the Department of Administrative Services (DAS) pays all unemployment compensation claims from a General Fund appropriation received each year and bills back to departments the costs associated with all non-General Fund employees.

State Funding

The Department of Transportation (DOT) receives appropriations from the Road Use Tax Fund (RUTF) and the Primary Road Fund (PRF) to pay the annual costs of unemployment insurance premiums to the DAS. The amount requested by the DOT each year has been status quo for the past several years. Expenditures from the appropriations are for the actual amounts billed back to the DOT by the DAS. Should the need for funding exceed the appropriation, as was the case in FY 2010, the DOT has requested and received authority to transfer funding from other operating accounts within the DOT to cover the shortfall, pursuant to [Iowa Code section 8.39](#). In addition to the expenditures for unemployment compensation paid to former employees entitled to benefits, the DAS charges an administrative fee that is based on the previous quarter count of FTE positions for the DOT.

Related Statutes

[Iowa Code section 8A.402](#)

[Iowa Code chapter 96](#)

More Information

Iowa Department of Transportation: <http://www.iowadot.gov/>

Iowa General Assembly: <https://www.legis.iowa.gov/index.aspx>

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